

AMENDED IN SENATE APRIL 21, 2003

**SENATE BILL**

**No. 948**

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**Introduced by Senator Morrow**

**(Principal coauthor: Senator Knight)**

**(Coauthors: Senators Battin and Denham)**

*(Coauthors: Assembly Members Bates, Benoit, Cogdill, Daucher, Dutton, Haynes, Shirley Horton, La Suer, Maze, Mountjoy, Nakanishi, Pacheco, Plescia, Runner, and Strickland)*

February 21, 2003

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An act to add Section 17132.4 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 948, as amended, Morrow. Personal income tax: exemption: spouse of ~~the~~ a member of the Armed Forces of the United States.

The Personal Income Tax Law imposes a tax on individual taxpayers measured by the amount of the taxpayer's taxable income for the taxable year, but excludes certain items of income from the computation of tax.

This bill would, for taxable years beginning on or after January 1, 2003, exclude the income of a spouse of a member of the Armed Forces of the United States, as defined, from the computation of the personal income tax for the taxable year in which ~~the~~ that member, while in active service, dies as a result of a military, combat, or terrorist action, and for each of the 3 following taxable years.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 17132.4 is added to the Revenue and  
2     Taxation Code, to read:  
3     17132.4. (a) For taxable years beginning on or after January  
4     1, 2003, gross income does not include any eligible income  
5     received by a spouse of a member of the Armed Forces of the  
6     United States if ~~the~~ *that* member, while in active service, dies as  
7     a result of a military, combat, or terrorist action.  
8     (b) For purposes of this section:  
9     (1) “Eligible income” means income earned by a spouse of a  
10    member of the Armed Forces of the United States in the taxable  
11    year in which the date of ~~the~~ *that* member’s death falls, and in each  
12    of the three following taxable years.  
13    (2) “A member of the Armed Forces of the United States”  
14    includes, but is not limited to, United States Coast Guard personnel  
15    engaged in maritime police power operations, the members of the  
16    California National Guard, and the members of federal military  
17    reserves when those reserve component personnel are serving on  
18    federal active duty of at least one day in duration.  
19    (3) “Military, combat, or terrorist action” means any of the  
20    following:  
21    (A) Any military action involving the Armed Forces of the  
22    United States and resulting from violence or aggression against the  
23    United States or any of its allies, or threat thereof.  
24    (B) Any combat training exercise.  
25    (C) Any terrorist activity that was directed against the United  
26    States or any of its allies, shown by a preponderance of the  
27    evidence.  
28    SEC. 2. This act provides for a tax levy within the meaning of  
29    Article IV of the Constitution and shall go into immediate effect.

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